



COUNTY OF SAN DIEGO DOWNPAYMENT & CLOSING COST ASSISTANCE (DCCA)/CALHOME PROGRAM

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LENDER INSTRUCTIONS

Effective February 12, 2014

Lender Requirements:

- ◆ We recommend a 60-day Escrow period.
- ◆ Follow the [document checklist](#) (see lender package) for additional requirements.
- ◆ Obtain a licensed **appraisal** (regardless of the type of 1st mortgage financing) and provide **proof of repairs**.
- ◆ Provide Homebuyer Education Training and a completion Certificate to the borrower prior to submitting the loan request. (You may refer clients to a 3rd party company that offers classes. Completion Certificate is required.)
- ◆ **DCCA/CalHome and MCC:** The DCCA/CalHome loan request must be combined with the MCC program, as long as there are funds available in the MCC program, and the first mortgage is **not** from Cal-HFA.
- ◆ Require the client to apply for the MCC program and submit a copy of the application with the loan request. The MCC application fee may be applied to the buyer's 1% of the purchase price contribution.

Property Guidelines:

- ◆ The property must be located within the DCCA/CalHome jurisdictional boundaries.
- ◆ The property may be New or Resale: single-family detached unit, condominium, townhouse or a manufactured home on a permanent foundation.
- ◆ The purchase price and the appraised value of an existing property may not exceed **\$451,250** for a single-family detached residence, **\$312,000** for a re-sale condominium/townhome, or **\$377,000** for a new condominium/townhome, subject to periodic updates.
- ◆ The property must be vacant, or occupied by the seller/owner, or the DCCA/CalHome applicant; and must not have been vacated by the previous renters within the last 30 days.
- ◆ The property must be free from any health & safety defects and lead-based paint hazards. Prior to final loan approval, a Housing Quality Standards (HQS) inspection will be conducted by county staff to verify the condition of the property. Proof of initial building permit or issuance of a Certificate of Occupancy must be provided.
- ◆ Occupancy Ratio: No more than two people per living space (living space includes bedrooms, living room, family room, den/study).
- ◆ Flood insurance must be obtained if the property is located in a flood plain.

DCCA/CalHome Loan Amounts and Jurisdictional Areas:

- ◆ Up to \$70,000 or 33% of the purchase price, whichever is smaller, at 3% simple interest in the Unincorporated Areas of the County of San Diego and the cities of: Coronado, Del Mar, Imperial Beach, Lemon Grove, Poway, and Solana Beach.

Loan Terms:

- ◆ Maximum DCCA/CalHome Loan amount of up to **\$70,000** or 33% of the purchase price, whichever is smaller.
- ◆ No monthly payments are required.
- ◆ Interest is accrued annually at **3% simple interest**, per year.
- ◆ Repayment is deferred until the borrower refinances (except an FHA Streamline), sells, pays off the first mortgage, or no longer occupies the property as their primary residence. The loan repayment will be one payment of the original principle loan amount plus any accrued interest.

- ◆ **Prohibited loans and terms:** Negative Amortization; Stated Income; Adjustable Rate Mortgage (ARM) when ARM Rate changes within the first 5 years; Interest-only loans; and if the Front-End ratio is **below 30% or over 38%**, or the Back-End ratio is **over 45%**.

Application Submittal:

- ◆ Submit one **complete** loan request to the following:
Manuel Galvan
County of San Diego
Department of Housing & Community Development
3989 Ruffin Rd.
San Diego, CA 92123

DCCA/CalHome Program Contacts:

- ◆ Manuel Galvan, DCCA/CalHome Program Administrator
- ◆ Phone: (858) 694-8712
- ◆ E-Mail: Manuel.Galvan@sdcounty.ca.gov
- ◆ Website: www.co.san-diego.ca.us/sdhcd/homeowners/dcca.html

MCC Program Contact:

- ◆ Kathy Stone, MCC Program Administrator
- ◆ Phone: (619) 469-0270
- ◆ Fax: (619) 469-2005
- ◆ E-Mail: kstone@ahahousing.com
- ◆ Website: www.ahahousing.com